

Service Date: June 23, 1978

BEFORE THE UTILITY DIVISION  
DEPARTMENT OF PUBLIC SERVICE REGULATION  
MONTANA PUBLIC SERVICE COMMISSION

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IN THE MATTER of the Application	)	
of the SHELBY GAS ASSOCIATION	)	DOCKET NO. 6512
for Authority to Increase rates and Charges	)	ORDER NO. 4354D
for Natural Gas Service.	)	

ERRATA SHEET TO ORDER NO. 4354D

Order paragraph No. 2 is to be deleted.

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DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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FINDINGS OF EACT

1. On June 10, 1977 SHELBY GAS ASSOCIATION made application to this Commission for authority to increase rates in order to offset increased gas costs charged by The Montana Power Company as a result of Docket No. 6454.

2. Shelby Gas Association purchases one hundred percent (100%) of its gas from The Montana Power Company.

3. On June 9, 1977 this Commission granted Montana Power Company a temporary increase in its natural gas rates. Included in the temporary rate increase order was authorization to increase charges to Montana Power's small utility customers.

4. On November 1, 1977 the Commission's Order No. 4350b in Docket No. 6454 granted Montana Power Company a second temporary natural gas rate increase.

5. Order No. 4350b resulted in a corresponding expense in crease to Shelby Gas Association.

6. On November 4, 1977 the District Court for the First Judicial District of the State of Montana issued an Order in the appeal by the Anaconda Company and Ideal Cement Company of this Commission's Order No, 4220C in Docket ho. 6348. Judge Meloy's Order found that the Commission had before it no evidence of record upon which to base the volumetric revenue allocation directed by Order No. 4220C. The Court held that be cause the record is devoid of evidence sufficient to support the allocation imposed by the Commission Order, the Commission is directed to allocate on the basis of the status quo prior to the entry of Order No. 4220C, and such allocations shall apply until the Commission, if it so decides, shall re-open the proceedings and receive evidence sufficient to support a different al location method if such evidence is available.

7. Pending the complete evaluation of evidence in Docket Co. 6454 and the issuance of the final Order, the Commission was constrained by the Court's holding invalid of the revenue allocations used in Order No. 4220C to allocate the revenue increases granted in that and subsequent orders on a uniform percentage basis, as proposed by Applicant, with the exception of revenue increases granted for the purposes of offsetting increase gas supply costs which shall continue to be allocated on a volumetric basis as they were prior to Order No. 4220C.

8. On December 1, 1977, the Commission's Order No. 4220D in Docket No. 6348 changed the method of revenue allocation to Montana Power customers to be consistent with that prescribed in the Order of the Court. Order No. 4350C in Docket No. 6454 was issued the same day in order to comply with the intent of that Court Order. Both Order No. 4220D and Order No. 4350B applied uniform percentage revenue allocations in place of the volumetric allocation originally used.

9. Order No. 4220D and Order No. 4350C resulted in an expense decrease to the Shelby Gas Association.

10. On April 24, 1978 the Commission's Order No. 4350D in Docket No. 6454 granted Montana Power a permanent natural gas rate increase.

11. Order No. 4350D will result in an expense increase to the Shelby Gas Association.

12. Temporary Rate Order No. 4354C was issued by this Commission on April 24, 1978.

13. A Notice of Proposed Public Hearing was published in the May 24, 1978 issue of the Shelby Times and the May 25, 1978 issue of the Shelby Promoter. Said legal notice called for protests or requests for hearing by June 16, 1978.

14. No protests or requests for hearing were received in response to this legal notice.

#### CONCLUSIONS OF LAW

1. The increase applied for is necessary to meet increased expenses to the Applicant.

2. The resulting rate levels are reasonable and just.

#### ORDER

1. The rates authorized in Order No. 4354C are hereby ordered to be permanent.

2. The increased rates will be effective upon Commission approval of the filed tariffs.

DONE IN OPEN SESSION by a vote of 4-0 at a meeting of the Montana Public Service Commission held June 19, 1978 in Helena, Montana 59601.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

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Gordon E. Bollinger, Chairman

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P.J. Gilfeather, Commissioner

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Thomas J. Schneider, Commissioner

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James R. Shea, Commissioner

Madeline L. Cottrill  
Secretary  
Mary Tatchell  
Acting Secretary  
(SEAL)

NOTICE: You are entitled to judicial review of the final decision in this matter. If no Motion For Reconsideration is filed, judicial review may be obtained by filing a petition for review within thirty (30) days from the service of this order. If a Motion for Reconsideration is filed, a Commission order is final for purpose of appeal upon the entry of a ruling on that motion, or upon the passage of ten (10) days following the filing of that motion. cf. the Montana Administrative Procedure Act, esp Section 82-4216, RCM 1947; and Commission Rules of Practice and Procedure, esp. 38.2.2(64)-P2750, ARM.